



August 1, 2016

Business Name
Attn: Property Owner Name
Address Line 1
Address Line 2
City, State Zip

Parcel ID: _____
DWSD Account #: _____
Parcel Address Line 1: _____
Parcel Address Line 2: _____
Parcel Impervious Acres: _____
Estimated Drainage Bill \$: _____

Dear John Smith or DWSD Customer:

The Detroit Water and Sewerage Department (DWSD) is updating its billing system information. Together with the City Assessor's Office, we are working to ensure all parcels that drain to the city's sewer system are billed for their fair share of drainage costs. In compliance with federal regulations, DWSD incurs more than \$125 million a year to store, transport and treat billions of gallons of storm water and ice melt that flow from hard surfaces to our facilities. These hard surfaces, also known as impervious areas, include roofs, sidewalks, parking lots and similar surfaces.

The parcel listed above is one of more than 20,000 parcels that contribute to the city's drainage flows but are not being billed for drainage. **Beginning in October 2016, we will bill these parcels at a rate of \$750 per impervious acre per month. Newly billed parcels will not be back-billed for drainage services provided to date.** Customers with multiple parcels may receive this notification letter for each parcel owned.

We need your help to verify the parcel above and make certain your drainage charges are accurate. We want to make sure that you own the property listed, your property boundaries are correctly drawn, and we have accurately measured the amount of hard surface on your property.

The attached list of frequently asked questions provides information on how you can manage your drainage costs. Please visit our drainage website: <http://www.detroitmi.gov/drainage> for additional information, e-mail drainage@detroitmi.gov or call (313) 267-8000 to speak with a drainage customer care specialist. We look forward to assisting you with your drainage matters.

Thank you,

Gary A. Brown
Director, DWSD

Frequently Asked Questions and Answers

1. What is drainage? Why am I being charged for rain and snow?

Each year, billions of gallons of storm water runoff and snowmelt flow from roofs, sidewalks, parking lots and similar impervious surfaces into the City's combined sewer system. This drainage is contaminated with dirt and debris, flows into the same pipe as unsanitary wastewater and must be environmentally treated at the City's wastewater treatment plant before it can be released back into the environment. Transporting and treating this drainage costs DWSD more than \$125 million a year. Costs for this service must be fairly and equitably recovered from all property owners.

2. Why does DWSD charge customers for drainage? How are the funds used?

Like many older communities in the U.S., Detroit has a combined sewer system, where storm water runoff flows into the same pipe as unsanitary wastewater. This runoff must be environmentally treated. Federal and State regulatory mandates have required DWSD to invest more than \$1 billion in combined sewer overflow control facilities to help prevent untreated overflows and preserve Detroit's water quality. The combination of this investment plus drainage treatment costs account for the drainage charge. Revenue from drainage charges pays for the capital, operations and maintenance costs associated with Detroit's combined sewer overflow facilities as well as treating wet weather flows at the wastewater treatment plant. Drainage charges are applied on all parcels of real property within the city.

3. How is the drainage charge calculated? How will property classes be transitioned to the new billing basis?

Customers are billed for drainage by property class (primarily industrial, commercial and residential). Some customers are charged a fixed fee for drainage based on the size of their water meter, while others are billed based on the impervious acreage of their parcel(s). Beginning in October 2016, DWSD will implement a rate of \$750 per impervious acre per month for newly billed parcels from October 2016 through June 2017. We anticipate this rate will decline after June 2017. Newly billed parcels will not be back-billed for drainage services provided to date.

To ensure that all parcel owners are equitably billed for drainage costs, over the next 36 months, all parcels will be billed a uniform rate on an impervious acreage basis. The multi-year transition will occur by property class - industrial, city, commercial, tax exempt and residential. Parcels that currently receive drainage bills will continue to be billed at their current rate until their property class moves to the new billing basis. During the transition, automatic credits by property class will be applied to help soften potential bill impacts.

4. What is impervious surface?

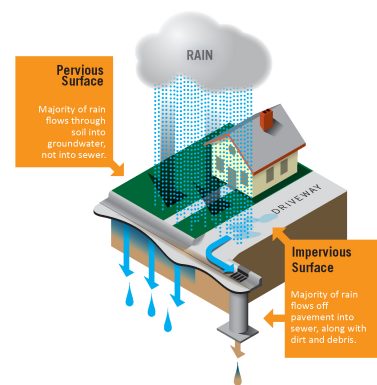
Impervious surfaces are roofs, sidewalks, driveways, parking lots and similar hard surfaces that prevent or limit the ability of storm water to soak into the ground (see picture). Less impervious area can result in a lower drainage charge.

5. Is this a new charge?

No. Since 1975, most DWSD customers have been paying for drainage as part of their water and sewer bills. With recent advances in our billing system and through working with the City Assessor's Office, we have identified more than 20,000 parcels that are not being billed for drainage runoff from their parcels. Many of these parcels do not have a DWSD water account – surface parking lots, for example. Beginning in October 2016, these unbilled parcels will be added to our billing system and charged a rate of \$750 per impervious acre per month for fiscal year 2017.

6. Why wasn't I charged for all of my parcels previously?

DWSD has made several advances to the billing system, using new technology and updated parcel data from the City Assessor's Office. We identified more than 20,000 parcels not accounted for in the billing system and not being charged their share of drainage costs. Many of these parcels do not have a DWSD water account – surface parking lots, for example.



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Beginning in October 2016, these parcels will be added to our billing system and charged a rate of \$750 per impervious acre per month for fiscal year 2017. Newly billed parcels will not be back-billed for drainage services provided to date. Customers with multiple parcels added to the billing system could receive a notification letter for each parcel owned. Please visit the drainage website (listed below) to verify your parcel data, obtain needed forms or contact us to address your individual concerns.

7. Why am I getting multiple letters?

With billing system advances and through working with the City Assessor's office, we identified more than 20,000 parcels that are not being billed for drainage runoff from their parcels. As we add these parcels to our billing system, notification letters are being prepared **by individual parcel**. Customers with multiple parcels could receive a notification letter for each parcel owned.

8. Why am I charged one rate for my current parcel(s) and a new rate for other parcel(s)?

Beginning October 2016, all parcel owners will be billed for their fair share of the City's annual drainage treatment costs. We will add more than 20,000 unbilled parcels into the billing system. These parcels will be charged a rate of \$750 per impervious acre per month from October 2016 through June 2017. As we add these parcels to our billing system, notification letters are being prepared by individual parcel. Customers with multiple parcels will likely receive a notification letter for each parcel owned. Parcels that currently receive drainage bills, however, will continue to be billed at their current rate until their property class moves to the new billing basis over the next 36 months. Newly billed parcels will not be back-billed for drainage services provided to date. During the transition, automatic credits by property class will be applied to help soften potential bill impacts.

9. How do I dispute or update my parcel information? How do I request a new survey of my parcel(s)?

We need your help to verify your parcel(s) and to make certain your drainage charges are accurate. Over the coming months, we will provide you additional information, including details on upcoming informational workshops. Please view your parcel(s) and their impervious area using our new Parcel Viewer tool on the drainage website: www.detroitmi.gov/drainage. To dispute or update parcel information or request a survey of your parcel(s), please visit the drainage website to obtain needed forms, email us at drainage@detroitmi.gov or call (313) 267-8000 and follow the prompts to speak with a drainage customer care specialist. To ensure we are equipped to address your individual questions and concerns, DWSD will not accept walk-ins for drainage inquiries. Instead, we urge you to contact us to make an appointment.

10. How do I reduce my drainage charge?

The first step in reducing a drainage charge is to verify your data. A second step is to remove impervious surfaces that you do not need. DWSD will launch a new Green Infrastructure Credit program in October 2016. Customers can reduce storm water runoff and earn credits that can be applied to their bill by disconnecting downspouts or planting rain gardens, for example. DWSD, in collaboration with local environmental and non-profit organizations, will offer assistance to property owners and developers with implementation. Details on how to apply for these credits will be available on our drainage website (listed above).

11. How will automatic credits be applied?

Immediate transition among all property classes to the new billing basis would cause significant increases – especially among those customers paying a fixed rate based on meter size. To facilitate a fair and orderly implementation of the drainage charge program, all parcels, including those billed a fixed rate, will be moved to impervious acreage based billing. The multi-year transition will occur by property class - industrial, city, commercial, tax exempt and residential. To help soften potential bill impacts, automatic credits by property class will be phased over 36 months. These credits will equal the specified year's impervious area rate multiplied by 66 percent for the first year, by 33 percent for the second year, and by zero percent the last year of the transition. Further details on credits will be available later on our drainage website (listed above).

12. What if I can't afford to pay? Is payment assistance available?

There is no formal assistance program specifically for drainage charges. However, the 10-30-50 payment plan is available to all customers. For low-income residential customers who are eligible, the Water Residential Assistance Program (WRAP) is available. These programs are among the most robust assistance programs among utilities in the country. Please visit www.detroitmi.gov/dwsd for more information.